

MINUTES OF ROANOKE CITY AUDIT COMMITTEE

April 5, 2004

1. CALL TO ORDER:

The meeting of the Roanoke City Audit Committee was called to order at 11:33 a.m. on Monday, April 5, 2004, with Chair, Linda F. Wyatt, presiding.

- The roll was called by Mrs. England

Audit Committee

Members Present: Linda F. Wyatt, Chair
Mayor Ralph K. Smith
Vice-Mayor C. Nelson Harris
William D. Bestpitch
Dr. M. Rupert Cutler
Alfred T. Dowe, Jr.

Others Present: Drew Harmon, Municipal Auditor
Darlene L. Burcham, City Manager
George (Chip) Snead, Assistant City Manager
Rolanda Russell, Assistant City Manager
Timothy Spencer, Assistant City Attorney
Evelyn Powers, City Treasurer
Jesse A. Hall, Director of Finance
Mike Tuck, Assistant Municipal Auditor
Pamela Mosdell, Information Systems Auditor
Brian Garber, Senior Auditor
Doris England, Administrative Assistant
Evelyn Bethel, Citizen
Helen Davis, Citizen
Duane Howard, Citizen

2. INTERNAL AUDIT REPORTS:

- A. Treasurer Turnover
- B. Clerk of the Circuit Court
- C. Parks and Recreation
- D. Fixed Assets

Mrs. Wyatt ordered that internal audits A through D be received and filed. There were no objections from the committee. Mrs. Wyatt recognized Mr. Harmon for comments on all the audits.

Mr. Harmon stated the Treasurer Turnover audit was required by state law, based upon David Anderson's retirement as City Treasurer effective December

31, 2003. Specifications were followed for the audit as set out by the state; these specifications were recently revised and enhanced. Six schedules were prepared, 19 receipts for things such as vehicle decals, dog tags, and cash; that were to be turned over. It was the final opinion, along with the state's portion of the audit, that there were no significant findings. There were no questions or comments from the committee.

Mr. Harmon stated the Clerk of the Circuit Court audit is done annually as part of the city's agreement with the APA, or Auditor of Public Accounts. The City follows their program and does a portion of the audit in return for not being billed for the audit, which is required by state law. This year they delayed it somewhat due to the turnover in the Clerk's office and did the turnover audit at the same time. There were no material findings. There were no questions or comments from the committee.

Dr. Cutler asked when the Commissioner of Revenue audit would be done. Mr. Harmon replied there is no required annual audit for the Commissioner of Revenue. However, Municipal Auditing is currently conducting an internal operational audit in that area. Hopefully, it will come before the Audit Committee in July.

Mr. Harmon stated the Parks and Recreation audit specifically addressed the Parks Division. The parks have a significant impact on the aesthetics of the city. Playground safety is one area that was highlighted. Specific focus was placed on parks maintenance and playground inspection functions. The audit also incorporated the importance of training of staff on equipment used in operations. Mr. Harmon stated his office was very pleased with the cooperation received from Steven Buschor, Director of Parks and Recreation, and Gary Hegner, Parks Supervisor. He was also pleased with the planned actions as set forth by the department. In conducting the audit, the parks were visited and found to be in good shape. Much investment has been made by Parks and Recreation in the last four years with most equipment being new and in good shape.

Dr. Cutler stated that in reading about the short-comings in frequency of inspections, the lack of documentation of visits, and the lack of certified staff, it appeared that this was the first time in a while or the first time ever this audit had been done. Mr. Harmon replied that it was the first time for this area. Dr. Cutler said he was surprised at the lack of regular inspections of playgrounds, the lack of certification of people, and the lack of record keeping on what equipment staff is trained to operate. He further stated we were lucky we did not have more accidents. Dr. Cutler asked Mr. Harmon if Parks and Recreation was taking the recommendations made by the audit and implementing them. Mr. Harmon stated that Municipal Auditing had worked with the Parks Division to set up the action plans and felt good about the direction taken.

Dr. Cutler asked if there was some software on order. Mr. Harmon replied there is a project being looked at with work orders; the Parks Division is interested in this, and an RFP has been written.

Mr. Dowe asked about the informal procedures used and what relationship the Parks Division had with school playgrounds. Mr. Harmon responded that procedures were primarily based on supervisors' experience. Schools are independent and manage their own playgrounds.

Ms. Burcham stated that there had been a need for a work order request management system for some time. Other departments also are looking at a work order system.

Mr. Bestpitch stated he felt very much that recommendations should be followed up. The lack of inspections (of parks) increases the chances of litigation against the city.

Ms. Burcham stated that Parks and Recreation had compiled a book of policies to be followed that Ms. Russell had brought with her to the meeting. Ms. Russell showed the book and explained some of the features that were being followed. Mr. Bestpitch stated we should stay on top of implementing the plan.

Mrs. Wyatt pointed out that some city trainees learn differently from others in that some learn by the hands-on approach. She also asked Ms. Burcham for an update on the status of using contract labor to clean the bathrooms at the parks.

Mr. Harmon explained the Fixed Assets audit focused on assets under \$5,000 and concluded that the system of internal controls should be strengthened to provide greater management and safeguarding of those assets. Dr. Cutler asked who has the responsibility of tracking assets under \$5,000. Mr. Harmon stated some departments had been doing something, though not adequate, to track their assets. Mr. Hall said Finance should share the responsibility in guiding departments to develop policies for tracking assets. He said Finance would do this in conjunction with the implementation of a new financial system.

3. NEW BUSINESS:

The proposed Audit Committee meetings for the remainder of the calendar year were discussed and approved. They are as follows:

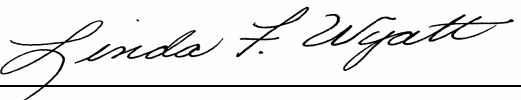
- Tuesday, July 6, 2004
- Thursday, October 7, 2004
- Monday, December 20, 2004 (at 1:00 p.m.)

4. OTHER BUSINESS:

Mr. Harmon introduced new staff in Municipal Auditing. Cheryl Ramsey is the new Auditor replacing the vacancy created by the departure of Kevin Nicholson. Doris England is the new Administrative Assistant filling the vacancy left by Evelyn Powers.

5. ADJOURNMENT:

There being no further business, the meeting was adjourned at 11:58 a.m.

A handwritten signature in cursive script, reading "Linda F. Wyatt", is positioned above a horizontal line.

Linda F. Wyatt, Chair